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UNCTAD and Civil Society: Towards Our Common Goals

Note by the secretariat

The attached statement to the tenth session of the United Nations Conference on Trade and Development, entitled "UNCTAD and Civil Society: Towards Our Common Goals", reflects the outcome of the NGO Plenary Caucus held at UNCC-ESCAP, Bangkok, on 7-8 February 2000. The statement was adopted by acclamation at the meeting, which was attended by approximately 160 participants representing around 120 non-governmental organizations from over 40 countries.

UNCTAD and Civil Society: Towards Our Common Goals

We, organizations of civil society meeting at an NGO Plenary Caucus held in Bangkok on 7-8 February 2000, welcome the holding of UNCTAD X and would like to put forward a number of proposals that have resulted from our deliberations.

We wish, at the outset, to make explicit the values, aspirations, and concerns that we share as civil society organizations, many of which are also shared by member Governments of UNCTAD. It was such concerns that civil society and some Governments had in common in the recent and historic processes in Seattle.

We oppose the promotion and imposition of neoliberal theories and programmes incorporating liberalization, selective deregulation, privatization and the commercialization of all aspects of human life and endeavours. And we are opposed to the usurping of the roles of national Governments and citizens' democratic rights by global institutions such as the IMF, the World Bank, and the WTO.

Instead, we propose the development of a system of global governance that respects local democratic prerogatives and is based on global conventions agreed to at the United Nations. The principles of such a pluralistic and participatory form of international governance must constitute the over-arching principles and regulatory frameworks within which all global, regional, national and local governmental institutions and corporations, and all people, should cooperate.

These fundamental principles must be based on the primacy of human rights obligations, which include the principles of non-discrimination, progressive realization and non-retrogression. Such a system must also include the principles of diversity and holistic and integrated development, based not only on economic but also on political, social, gender, cultural and environmental dimensions. These must promote human cooperation and the basic needs of people, as opposed to the neoliberal promotion of untrammelled competition and a race to the bottom.

These principles promote institutional deconcentration and decentralization of power and devolved decision-making at global, regional, national and local levels. They also seek to foster greater transparency and accountability. The methods and means are as important as the aims of all development strategies. These means are not only intellectual efforts and policy debates, but include changing power relations in all institutions and sectors and at all levels of society. This, in turn, demands the empowering and mobilizing of ever wider numbers of people and the building of coalitions of popular organizations and international alliances.

A New Deal

1. Agriculture and food security

Food sovereignty is a fundamental right of each nation and food security – accessibility, affordability and adequate nutrition – the right of all people. For developing countries, food security is a matter of livelihood security. Therefore disciplines on agricultural trade which curb developing countries' ability to implement policies for food security should be taken out of the WTO.

Governments should uphold and protect peoples' right to equitable access to and management of land, water and natural resources, including seeds. Life forms must not be commodified; therefore, we reject any form of intellectual property rights on life. Sustainable forms of agriculture should be promoted and cooperatives at the local, national or international levels strengthened.

In achieving these, we urge UNCTAD to recognize the negative social consequences of contract farming and oppose its continued extension by corporate agribusiness as a means of rural development.

The TRIPS agreement, article 27.3(b), encourages biopiracy. UNCTAD should provide leadership and capacity in the establishment of *sui generis* systems based on the Convention on Biological Diversity (CBD) in order to protect community rights over resources and the strengthening of national laws against biopiracy.

UNCTAD should lead developing countries in negotiating for adequate competition disciplines on agribusiness. It should also lead in providing a mechanism for protecting developing countries from the dumping of cheap food.

UNCTAD should strengthen the capacity of developing countries in tightly regulating trade in genetically modified organisms based on a strong precautionary principle and a biosafety protocol, by supporting the creation of national or regional technical bodies.

UNCTAD should promote regional or South-South cooperation and fair trade in agriculture and fisheries in order to encourage greater diversification, sustainability and self-reliance in food production in and amongst developing countries.

UNCTAD should constructively address the issue of the long-term decline in the terms of trade of commodities for developing countries.

2. Debt and reparations

A new deal for developing countries has to be premised upon fundamental resolution of the debt crisis.

Existing proposals for debt "relief" do not release the indebted countries from debt bondage or address the fundamental causes and recurrence of the debt problem. Instead, they further subject developing countries' people and economies to the pressures and dictates of creditor countries, institutions and corporations.

We reject the HIPC initiative, and the repackaging and perpetuation of the IMF and the World Bank structural adjustment programmes under the guise of the growth and poverty reduction facility.

We support the move to build an international alliance among Governments and civil society that would press for a new arrangement for the cancellation of all debt of developing countries which, in the judgement of civil society, is illegitimate, immoral or unpayable. We further demand that the control of the process dealing with debt be removed from the hands of the creditors, including the IMF, the World Bank and the Paris Club. A new independent, transparent arrangement accountable to civil society must be put in place. Such an arrangement must ensure full restitution and reparations to the people from those responsible for the human, social, political and environmental damage inflicted on developing countries and their people.

3. Finance

We urge UNCTAD to press for the abolition of IMF and World Bank stabilization and structural adjustment programmes, whatever name these go under.

In light of the failure of the G-7 to seriously respond to the crying need for a transformed global financial architecture, UNCTAD should actively discuss and make proposals in this area and help forge an agreement among its member countries that would put such a system in place. This architecture should involve capital controls at national, regional and international levels, including the Tobin tax. These innovations are necessary for global financial and economic stability. The design of this architecture must not be dictated by the policies or interests of the banks, hedge funds, the IMF, the World Bank, and the finance ministries of the G-7 countries. UNCTAD should also press for the abolition of tax havens in countries and territories.

UNCTAD should ensure that the dynamics of finance capital does not destroy the social, cultural and natural capital that supports, among other things, the achievement of food security.

Therefore, we strongly recommend that UNCTAD stand for the democratic transformation of international financial institutions which have impacted negatively on national economic sovereignty under the guise of rescuing countries facing economic crisis.

4. Labour

The current approach to trade and development has significantly worsened the situation of workers around the world. We strongly believe that UNCTAD member Governments have the clear responsibility to guarantee the fundamental labour rights of their citizens, and we recognize our responsibility as civil society organizations to provide solidarity and to help strengthen labour movements of the South.

All UNCTAD member Governments should immediately ratify and ensure effective implementation of the core ILO conventions, specifically Convention 87 (Freedom of Association), Conventions 29 and 105 (Forced Labour), Convention 100 (Equal Pay for Equal Work), Convention 111 (Discrimination in Employment), Convention 98 (Organize and Collective Bargaining), and Convention 138 and 182 (Minimum Age and Child Labour). UNCTAD member governments must recognize and allow labour to play a significant role in designing and deciding on all aspects of trade and development policy.

Corporate globalization has caused a rapidly increasing trend toward the casualization of labour and marginalization of vulnerable groups of workers – especially children, working women, migrant workers, fish workers, commercial sex workers, home workers and other workers in the informal sector. Added protection and promotion of the fundamental rights of these vulnerable groups beyond the existing ILO tripartite system is urgently needed. Further, we believe that there should not be discriminatory misuse of labour rights in North-South exchanges for economic advantage.

UNCTAD and its member Governments must recognize that respect for and implementation of fundamental labour rights have a strongly beneficial impact for sustainable development because they address critical development questions by improving equality, distributing income and increasing participation in development.

A new development paradigm must be established that recognizes the key role of labour rights within a perspective of development and human rights.

We believe that UNCTAD should promote an understanding of the beneficial connection between labour rights, human rights, and sustainable development as a matter of priority.

The Challenge to UNCTAD

UNCTAD can play a critical role in shaping a more equitable and democratic world. UNCTAD's research and analysis has already played a key role in exposing the negative effects of globalization and suggesting alternative policies for addressing them.

However, UNCTAD's approach must now be made more fully consistent with its development mandate. The core UNCTAD assumption that full, albeit gradual, integration of developing countries in the world economy as the way to prosperity must be questioned in light of the many negative consequences of globalization – which are so painfully evident in many countries. UNCTAD's analysis must also incorporate human rights approaches to economic governance, and advances in ecological and feminist economics that propose a different paradigm from neoliberal economics, by subordinating narrow efficiency to the values of social reproduction and solidarity, social and gender equity, and environmental integrity. In addition, UNCTAD should pay greater attention to the great diversity of existing economic practices that emphasize cooperation, rather than competition-driven economic relations.

In seeking external intellectual advice and input, UNCTAD should also reverse its tendency to consult mainly with experts based in Northern research institutions, and seek greater input from developing country-based researchers, scholars and thinkers.

UNCTAD must also focus on internal social transformation in the economies of countries in both the North and the South. In particular, it should encourage countries to ensure the right to a dignified and adequate basic livelihood income for each person. However, the implications of UNCTAD's analysis of growing inequalities not only between, but also *within* nations North and South, has not led to any meaningful political debate and initiative by its member States. The absence of significant attention to internal social transformation owes itself to a simplistic North-South model of international relations that ignores social contradictions cutting across the North-South divide. UNCTAD must see itself as representing the interests of marginalized people in both the North and the South.

Proposals for UNCTAD

International trade and investment rules promoted by the dominant global economic institutions are aimed at creating a "level playing field" between all economic players, irrespective of their scale and economic power. This understanding of "non-discrimination" in national treatment provisions assumes that equal rules should apply to very unequal players. So far, this tendency has only been resisted through "special and differential treatment" provisions, which in the WTO most often do not have contractual status and rely on artificial and arbitrary time frames unrelated to need and capacity.

We call for a human rights application of “non-discrimination”, which is premised on the need for affirmative action by the state to protect and promote vulnerable groups and sectors to avoid discrimination and further marginalization. In other words, these measures are not a special favour granted to developing countries and their citizens, but are fundamental components of their right to development.

On this basis, and with the support of civil society organizations, UNCTAD could play a catalytic role in launching an international movement aimed at ensuring that international economic policies and rules are not allowed to supersede national, regional and international measures designed to protect and promote all human rights – including the right to development and widely-held social and environmental objectives. It would therefore reassert its capacity to counter-act what are in effect “development-distorting” trade and investment policies.

For this to happen, UNCTAD should:

- Undertake independent monitoring and assessments, disaggregated below the national level, of the developmental, social, gender and environmental impacts of trade/investment liberalization and globalization, and formulate proposals for addressing these problems;
- Undertake, in cooperation with other United Nations agencies, independent impact assessments of intellectual property regimes such as TRIPs on food security, development, health and technology transfer;
- Undertake, with the FAO and the WTO, a comprehensive assessment of the impact of the WTO’s Agreement on Agriculture and its Agreement on Subsidies and Countervailing Measures;
- Undertake independent analysis, from a development perspective, of new proposals in areas such as labour, finance, investment, government procurement and competition, building on its ongoing work such as that of the *Trade and Development Report (TDR)*;
- Ensure that its work on foreign direct investment (FDI), transnational corporations (TNCs) and financial flows, particularly the *World Investment Report*, is more independent and critical of the development impact of FDI and more coherent with analytical work in other areas like the *Trade and Development Report*;
- Approach with extreme caution proposals for any multilateral, regional or bilateral investment agreement, given the frequently negative impact of FDI and other forms of capital flows on peoples’ welfare, national sovereignty and development;
- Educate and encourage its member States to frame national antitrust policy and laws that would serve to empower small and medium-sized enterprises (SMEs) and protect consumers against excessive market power of TNCs;
- Promote improved corporate governance and corporate transparency by encouraging the use of acceptable standards for financial, environmental, social, and ethical accounting, auditing and reporting; and, in addition, call on all member Governments to adopt effective anti-corruption measures;

- Address imbalances and inequities of existing trade agreements, as well as problems relating to the implementation of such agreements, with a view to achieving the best options for the developmental and social needs of people in developing countries;
- Monitor the compatibility of trade agreements with other obligations undertaken by Governments under United Nations treaties such as on human rights, environment, women and labour;
- Establish an Intergovernmental Group of Experts to discuss issues pertaining to consumer policy;
- Conduct an audit of the origins of the financial debts of developing countries and a parallel study of the historical and contemporary social and ecological debt owed by the North to the South;
- Encourage its member Governments to submit a formal request to the International Court of Justice for an advisory opinion on the legality of external debts of developing countries.

In all these areas, UNCTAD's work must be firmly rooted within its development mandate.

In order to strengthen the role, contribution and scrutiny of civil society in the work of the organization, UNCTAD must open up to civil society participation in its official deliberations, including in the Trade and Development Board, the commissions and expert groups, on issues such as competition policy, investment and consumer protection. To this end, UNCTAD must follow the lead of ECOSOC and review and extend its procedures and arrangements for granting consultative status to national civil society organizations.

In addition, UNCTAD should deepen and strengthen its commitment towards and report on the involvement of civil society as agreed at UNCTAD IX.

Furthermore, UNCTAD could develop dynamic partnerships with civil society organizations to strengthen its outreach capacity at the national level, notably by fostering public and parliamentary debates around its policy proposals. This could be an important component in democratizing economic governance in both developed and developing countries, and would contribute to making trade and finance ministries accountable to the wider social development objectives that economic policy should serve.

We hope UNCTAD X will consider the aforementioned recommendations, the implementation of which will contribute to the achievement of the common goals of equity, democracy, and sustainability that are shared by civil society, the member Governments of UNCTAD and its secretariat.
